



PRESS RELEASE

FOR IMMEDIATE RELEASE
September 23, 2003

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Leader of Mortgage Scam Conspiracy Sentenced to 33 Months Prison

PHOENIX, ARIZONA –The United States Attorneys Office for the District of Arizona, announced that on September 22, 2003 , Marco A. Vasquez, d.o.b. August 6,1963, of Phoenix, Arizona, was sentenced to 33 months in prison, by United States District Judge Stephen M. McNamee, in Phoenix, Arizona. The court also imposed a term of 36 months of supervised release to begin upon Mr. Vasquez's release from confinement. Judge McNamee specifically found that Vasquez was the leader of the conspiracy. The court ordered restitution totaling \$180,363.00 to the United States for losses arising from Vasquez's fraudulent activity. The sentencing order also prohibited Vasquez from working with government insured loans in the future.

Vasquez, pled guilty in federal district court in Phoenix, Arizona before Judge McNamee on January 21, 2003 to Conspiracy to Defraud the United States, a felony offense. Vasquez, had been originally charged with violating Title 18 of the United States Code, Section 371, Conspiracy and 22 counts of 18 U.S.C. 1010, Filing False Documents with the U.S. Department of Housing and Urban Development (HUD). The HUD counts were dismissed by the government as part of Vasquez's guilty plea agreement.

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In his guilty plea proceeding Vasquez admitted that during August 2000 to January 2001, while working as a mortgage loan officer and office manager for American Financial Resources, a mortgage banking firm, he enlisted the assistance of his codefendant, Lonny Brooks, to prepare for him fraudulent United States Internal Revenue Form W-2, Statement of Wages and Taxes and payroll stubs. These documents were included in applications for residential loans from his company in order to qualify his clients for the loans. In addition, the applications sought mortgage insurance to be issued by Federal Housing Administration (FHA), a department of HUD. Vasquez also admitted that he obtained the assistance of his codefendant, Stacy R. Ghazi, a manager of a credit reporting firm to prepare for him altered credit reports. The false reports deleted unfavorable information relating to his clients so that they would appear as credit worthy for approval of their home purchase loans as well as the FHA mortgage insurance. Numerous fraudulent applications were submitted by Vasquez's office to HUD for FHA mortgage insurance. Vasquez acknowledged his purpose in setting up the scam was to obtain commissions arising from the successful completion of these applications.

The government's current loss arising from insurance payments on the subsequently defaulted mortgages is \$180,363.00. This amount arose from Vasquez's own fraudulent mortgages and those of other mortgage loan officers under his supervision. The loan officers also used fraudulent financial documents supplied by Vasquez. Three loan officers have also plead guilty to participating in the scam. Those three codefendants, Jose Alvarado, Sandra Rodriquez and Lorena Soledad have been sentenced to probation and also ordered to make restitution.

The investigation in this case was conducted by Special Agents of the Office of Inspector General, U.S. Department of Housing and Urban Development.

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The prosecution was handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona,
Phoenix, Arizona.

CASE NUMBER: CR-02-634-PHX-SMM

RELEASE NUMBER: 2003-164

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